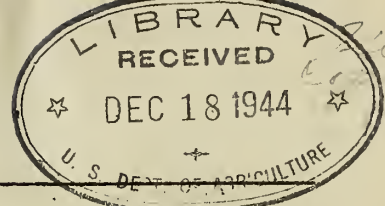


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration



No. 13

AMA "WAR BOARD" LETTER Wash., D.C., Mar. 20, 1942

EVAPORATED MILK SURVEY SHOWS NO APPRECIABLE PILING UP OF STOCKS AT PLANTS. Investigation as of Feb. 28, at request of AMA Administrator Hendrickson, showed that of total of 24,005,695 cases contracted for from Mar. 1/41 until that date, amount not yet delivered by plants totaled 3,859,304 cases. BUT 3,198,250 cases of this undelivered evaporated milk had been contracted for delivery after Feb. 25. As of Feb. 25, survey showed 15,066,000 cases had been shipped for Lend-Lease, 364,250 cases had been taken for domestic distribution and the Red Cross, and there were 4,639,631 cases in storage. In transit on same date were 76,510 cases. Undelivered on Feb. 25 were 290,054 cases which had been contracted for delivery and sampled and for which shipping instructions already had been issued. On that date there were 371,000 cases not ready for sampling. It was pointed out that shipping instructions, moving supplies from plants, had been issued against all supplies sampled at the time the survey was made. Furthermore, it was found that almost without exception shipping instructions are being issued within one day after the milk has been sampled. It was stressed that the storage program has been so perfected that there are NO delays in issuing shipping instructions. Officials feel that for most part any piling up of evaporated stocks at plants is an isolated instance due entirely to local conditions. Investigation will be made of any specific case called to attention of AMA Administrator Hendrickson.

SOUTHERN EGG MARKETING PROGRAM: First purchases under program were made March 18, at Asheville, N. C. Warehouse paid 29¢ doz. for No. 2 Extras and 28¢ doz. for No. 3 Extras. Offers to handle eggs under program have been accepted from six warehouses: Rush & Rush, Alexandria, La., Piedmont Creamery, Rock Hill, SC, Farmers Hatchery, Newberry, SC, Greenwood Coop Marketing Assn., Inc., Greenwood, SC, Ocala State Farmers, Florida State operated coop, and Asheville (NC) Ice and Cold Storage Co. (which handled the first purchase mentioned above). Offers from 7 other warehouses, received March 12, were rejected because they were out of line in their service charges or were not properly submitted. Indication of amount of handling charges AMA found acceptable is shown in range of those approved for the warehouses accepted: from 10 to 30 cents per case plus a weekly service charge of from \$10 to \$30 per week. Response to marketing program is not considered favorable. For this reason, AMA Dairy and Poultry Branch is getting out letter to State Agriculture Depts. and poultry experts, WB chairmen and Extension Service in States covered by program suggesting that they might encourage participation by other warehouses interested in program. (Offers from warehouses will be considered from now until some time in future.) The letter reads in part as follows: "It is our desire to help the farmers of the South obtain a price (for eggs) equivalent of 85 percent of parity. If he is not receiving this price, and an emergency exists, we stand ready and willing, with your cooperation, to put this program into operation in the South. If you think that such a program is still necessary, it is requested that you furnish us with a list of names of firms and warehouses having adequate refrigeration facilities for handling such a program and who are willing to render this service, in order that we might negotiate with them."

PROGRAM FOR DEALING WITH SEASONAL SURPLUS AND MARKETING PROBLEMS expected to result from recommendations now being prepared by Committee set up to study problem. Under chairmanship of Don Montgomery, USDA Consumers' Counsel, Committee was set up by AMA Administrator Hendrickson Feb. 9 to study elimination of waste and best disposition of supplies available for home consumption from Food for Freedom drive. Among questions covered by Committee were: improvement of marketing information; adequacy of present marketing services of Dept.; possibility of opening outlets for temporary surpluses thru spot notices to shippers and receivers; and better consumer information.

MOVING TO ELIMINATE WAREHOUSING BOTTLENECKS, AMA's new Transportation and Warehousing Branch, under Chief William C. Crow, is searching for wool storage space, beginning in Boston and working West as far as necessary. By first determining total available wool storage capacity and deducting space already occupied, the T&WB hopes to locate enough storage to take care of domestic production plus imports. A similar search for wheat storage space begins in the near future. Object: reduce the possibilities of freight car pile-ups, thereby releasing urgently needed rolling stock.

PURCHASE PROGRAM FOR DRY PROTEIN CONCENTRATE SOUP has been authorized. Soup will be used for L-L shipments. Program provides for purchase of dry soup concentrate containing soy bean grits, peanut flour and dry skim milk, said to be very satisfactory for use where highly nutritious protein foods are needed. Soup mix may be fortified with vitamins and minerals for use in areas where dietary conditions require. Bureau of Home Economics is investigating soya products now available in order to determine how best to use their nutritional qualities. Work on peanut flour production and utilization is proceeding rapidly and report on this program is expected soon.

COTTON BAG FABRIC SITUATION SHOWS SOME IMPROVEMENT: According to marketing specialists, indications are that in near future cotton bag fabrics may not be quite as difficult to obtain as in past several months. Reason: Spindle activity in cotton industry as a whole jumped from about 124 percent of an 80-hour week basis in December 1941 to nearly 137 percent in January. Shifts in the industry are being made in many instances from finer fabrics to fabrics of coarser yarn count. This has been done in part so that production of osnaburg and sheeting fabrics suitable for bag purposes can be increased. WARNING: Even with this increased production, problem of agricultural bagging has not been solved. Shortage of burlap has thrown tremendous load on cotton.

SUGGESTED READING: AMA Organization Consolidates Department Marketing Activities; L-L Farm Product Deliveries Through Feb. 1. (Mailed AMA WB members March 17.)

AMA FOOD PURCHASING AGENCY FOR HAWAII. Establishing stockpiles of essential foods in Islands. AMA purchasing essential staples desired by food trade there. Food so purchased is re-sold to distributors in the Islands at cost plus expenses. Distributors' margins are regulated by Food Administration of Territory. Purchases under this program, which permits economical and efficient use of transportation to Territory, have been substantial.

AMA REPRESENTATIVES ON USDA WLR BOARDS: Queries or needs for spot information may be sent directly to Administrator Hendrickson, AMA, Washington, D.C.